

Pepco doesn't understand public relations

I think I finally figured out why Pepco has such a bad image: the company does not “get” public relations. The company seems to believe that advertising alone can build a positive image, while failing to realize that most people differentiate between bought advertising and the third-party endorsement that comes from a public relations program.

If we look at the past month, we have not seen a single positive sign from Pepco. The latest news, out today, is that Pepco is complaining that the reduced rate hike that it is getting from the Maryland Public Service Commission won't be enough to sustain “improvements.” Read the article in the Washington Post [here](#). What we have seen is a large advertising campaign designed to tell people that Pepco responded well to the derecho storm (in spite of ample evidence to the contrary).

Pepco understands that it must have a spokesperson to answer questions, but it does not seem to get that the spokesperson must tell the truth and not minimize the suffering caused by prolonged power outages (which is exactly what Thomas Graham continuously does). As Robert McCartney, columnist for the Washington Post puts it: “A slip of tongue reveals Pepco's contempt for its customers.”

Public relations, according to BusinessDictionary.com, is the practice of creating and maintaining goodwill among an organization's publics, through the use of such tactics as media relations, sponsorships and charitable contributions.

As far as I can see, Pepco is not doing a good job at creating or maintaining goodwill. It is failing at public relations (and in my opinion, it is also failing at advertising). More

troubling is that the company seems to not care what the public thinks. It seems to believe that if it places enough advertising, the public will believe that it is working hard and improving reliability. As I have said before, the public will only believe that Pepco is working hard— at advertising— unless changes are made that affect them directly (better communication, faster restoration times, indeed, increased reliability).

Pepco—how about you hire someone who “gets” public relations? Perhaps with some wise PR counsel you will improve your image by actually making steps that do increase goodwill.

UPDATE

Tom Graham has this letter to the editor in Wednesday's Washington Post. I quote:

Critics can say many things about the company and about me, but to question our care and concern for our customers is simply unfair. This is my home, these are my people, and they are – and will remain – my utmost professional priority.

Do you think this rings true? Is the charge unfair? Moreover, do you think this was a good move on Graham's part?

How to become the most hated company

Yesterday, I talked about how you can make sure people dislike you. It's not hard—all you have to do is be self-centered and

creepy. Well, how about making your company one of the most hated companies in America? That is a new level of dislike, and Pepco has reached it.

The article about this “honor” in WTOP (Berzerk customers make Pepco ‘most hated’ in U.S.) tells us that the power company has had a drop in customer satisfaction since last year, due in part to:

frequent and wide-ranging outages made worse by belated customer service response... Pepco has had reliability problems in the past, but not as serious as the last year when its customers faced 70% more power outages than households in other metropolitan areas, along with outages lasting twice as long on average.

What is most interesting to me is how Pepco responded to this “accolade” reported in the website Business Insider. Here is what the article said

Pepco initially issued a statement questioning the validity of the Business Insider rankings, which it said could have been to drive up their readership.

It later retracted this statement, released another written statement in response to the survey. Pepco spokespeople declined to answer specific questions.

“While we certainly believe that this label is over the top, we have heard our customers loud and clear and are working hard to upgrade our system,” the second statement said.

Pepco’s communication department certainly does not get it. You don’t get rid of something by attacking the source (unless it was some muck-raking tabloid). The lesson here is that Pepco is in denial about how it is perceived by its customers. As a company, it believes that if it says that it is fixing things, people should just accept it.

To become the most hated company you have to provide bad service, first and foremost. But you compound this by:

- Thinking your customers are stupid or ignorant (read about Pepco's misguided ad campaign for instance)
- Denying that serious problems exist
- Not doing enough to address those problems, or just giving lip-service to fixing said issues.
- If criticized, pointing fingers at the source of criticism rather than dealing with the substance.

I tweeted out the WTOP article yesterday, and @pepcoconnect tweeted back: Working to get it right (with a link to this: <http://pepcoconnect.wordpress.com/2011/07/11/working-to-get-it-right/>) And if that is true, why on Friday night, did I lose power for one and half hours, for no apparent reason?

UPDATE: Pepco and reliability

Last Friday, I wrote about how Pepco needs to concentrate on customer service and less on marketing. In fact, the company will have to deal with lots of damage control because the Washington Post published a devastating article on Sunday that finds that Pepco has TERRIBLE reliability and that it has nothing to do with trees and storms but rather with equipment failure. In response, Pepco will have a press conference today to discuss their five-year improvement plan.

Again, Pepco would be best advised to spend money fixing the problem than spending thousands on an ad campaign to make the company appear to care about its customers. In the end, customers don't have a choice when it comes to power companies. I understand the latest Pepco ad campaign is about

image...but again, customers will develop an image based on their own experiences. Everyone who suffers power outages frequently (Pepco customers suffer power outages 70% more frequently than counterparts in other large cities) knows Pepco is NOT reliable, and does not work hard enough to restore power quickly. Today's full-color ad in the Washington Post (with the tagline "We're working for you) is not going to change minds.

Do you think Pepco can fix its image? Is image even the problem?